



El Dorado County Water Agency

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February 21, 2017

CalEPA & California Air Resources Board

Subject: Investment of Cap-and-Trade Auction Proceeds to Benefit Disadvantaged and Low-Income Communities

Dear CalEPA and CARB,

Please accept this comment letter from the El Dorado County Water Agency (EDCWA) in response to the CalEPA and CARB Community Meetings on the Investment of Cap-and-Trade Auction Proceeds to Benefit Disadvantaged and Low-Income Communities. The EDCWA develops countywide water planning and advocates for the water interests of El Dorado County. Given the nexus of water, transportation, and energy use, EDCWA is invested in promoting greenhouse gas (GHG) reduction opportunities for our region. The El Dorado region of the Sierra Nevada is a unique area in California that spans rural towns and popular lake and mountain resort communities.

The availability of cap-and-trade funds for use by the low income communities of El Dorado County will greatly assist our residents and commercial businesses in their efforts to address climate change and reduce GHG emissions. We encourage additional consideration for our and similar communities as explained below.

Low-Income Communities Needs

EDCWA appreciates that California has expanded beyond its CalEnviroScreen identification of disadvantaged communities (DAC) to include needs of low income communities. This change will allow rural communities, like those found in El Dorado County, access to funding support from the cap-and-trade auction proceeds.

EDCWA would like to recommend that CARB, CalEPA, and other funding distributors, maximize the allowable allotments of funds towards low-income communities. For example, previous funding solicitations from CARB have often provided a 50% or greater allotment to DACs, with evaluation criteria that provided significant points towards DACs. We recommend a similar approach to ensure that low-income communities can catch up with this needed funding. Low income communities that do not overlap with DACs have been subject to a funding handicap, and this future funding will be crucial to rural low income communities contributing with critical GHG reduction projects.

However, if the focus on DACs will remain and take precedence over low income communities, then EDCWA would recommend that funding solicitations separate competition between DACs and non-DACs into their respective percent funding allotments. Non-DACs, which include El Dorado rural communities, often can not compete against the DAC point loss assigned under evaluation criteria. Solicitation awards that do not separate out DACs from non-DACs in the competition pool do not create equitable access for non-DACs to acquire funds.

Map A from the Community Input on Assembly Bill 1550 Implementation document displays that the El Dorado region surrounding much of the western and southern side of Lake Tahoe, as well as numerous communities on the west slope of the Sierra Nevada, meet the low income qualifications. Thank you for releasing a high resolution map of the identified low-income communities in California, allowing the public to clearly review which areas are eligible. Unfortunately, as the detailed map was provided only four business days before the comment letter deadline, EDCWA requests more time to process the eligible/ineligible low income communities for our region. This is a very tight turnaround to perform a proper assessment of the potential impact.

For the Tahoe region, there are small pockets identified as ineligible, that are surrounded by or abut qualified tracts. The identification of these small ineligible tracts may not be accurate, due to Tahoe having a high percentage of transitional and seasonal population that changes each year. These El Dorado communities are small enough that GHG reductions in one part will undoubtedly be beneficial for the whole, therefore, these small ineligible tracts seem unnecessarily sectioned off.

Rural, small counties, like El Dorado County, often struggle to compete against major metropolitan areas for funding and resource allocation. To more fairly balance the availability of cap-and-trade funding between urban communities that qualify under the CalEnviroScreen pollution criteria and Sierra Nevada rural communities that do not qualify under those criteria, we request that a specific allocation, possibly 10 percent or more, of cap-and-trade funds be dedicated to communities in those counties that qualify as rural under the California State Department of Finance (counties with populations of less than 200,000). This will help address the current inequities and other disadvantages that are particular challenges within our rural counties.

Population Requirements

Rural communities in the Sierra Nevada also serve as popular visitor destinations, often exploding in population during peak seasonal periods. Tahoe must be able to support a significant influx of visitors, during both the summer and winter periods, with up to 24 million visitors each year, a tremendous increase from an estimated year-round resident population of 50,000 (Tahoe Transportation District 2016). Many of these visitors come via the El Dorado Highway 50 corridor, as visitors converge on Tahoe from the San Francisco Bay and Sacramento regions.

There is an inequitable burden placed on rural, resort local populations to support the visitor population and their resultant GHG contributions, as well as construct and maintain public works infrastructure. The visitor population equates to higher demands on the electrical grid and transportation infrastructure, loads that resort communities must have the capacity to support, but often due to a low resident population count, lack the funding to implement GHG reduction projects. Cap-and-trade funding will help mitigate the added GHG burdens from these visitors, as such, visitor population impacts should be accounted for in funding allocations.

CalEnviroScreen Concerns

Many rural communities in the Sierras no longer qualify under CalEnviroScreen as a DAC, despite current economic struggles. Much of the El Dorado County region is economically isolated and disadvantaged,

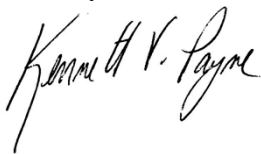
with unemployment rates that have remained higher than state averages and incomes across the region in decline since 2010. Under the Department of Water Resources Disadvantaged Communities Mapping Tool, 59% of the Sierra Nevada region would meet the DAC classification (US Census Bureau).

Despite not meeting CalEnviroScreen pollution criteria, the Sierra Nevada/Lake Tahoe region suffers from unique environmental and public health conditions. Much of the air pollution in Tahoe is created within the basin and is caused primarily from exhaust and emissions, resulting in toxic “nonattainment” ozone levels, in violation of state, federal, and basin air quality standards. Wildfires and prescribed burns are additional unaccounted factors that affect the air quality of the El Dorado region. Wildfire-generated smoke emissions typically exceed all state and federal air quality standards and are capable of causing serious health problems.

CalEnviroScreen focuses heavily on pollution hazards that are defined by urban region pollution criteria. As a result, the tool does not represent the climate change burden faced by rural, disadvantaged, low-income communities, and excludes much of rural California, including the Sierra Nevada region. This exclusion has serious funding ramifications, causing rural California communities to fall behind other regions in the state that are deemed DAC, and therefore eligible for GHG reduction fund allocations.

Thank you for considering our comments and for the opportunity to submit recommendations to CalEPA and CARB on the Investment of Cap-and-Trade Auction Proceeds to Benefit Disadvantaged and Low-Income Communities meetings. We hope that CalEPA and CARB will take into account the needs of California’s rural, mountainous communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth V. Payne". The signature is fluid and cursive, with the first name "Kenneth" being more prominent.

Kenneth V. Payne, P.E.
Interim General Manager

References

Tahoe Transportation District 2016. Carl Hasty. Memorandum: Statement on Visitation Numbers and Data for Transportation Planning. September 10, 2016.

U.S. Census Bureau: QuickFacts for South Lake Tahoe, California. Retrieved January 7, 2016. Last Updated December 2, 2015. <http://www.census.gov/quickfacts/table/PST045215/0673108,06>